



# Missouri Department of Natural Resources Energy Center

## MISSOURI ENERGY BULLETIN

February 10, 2005

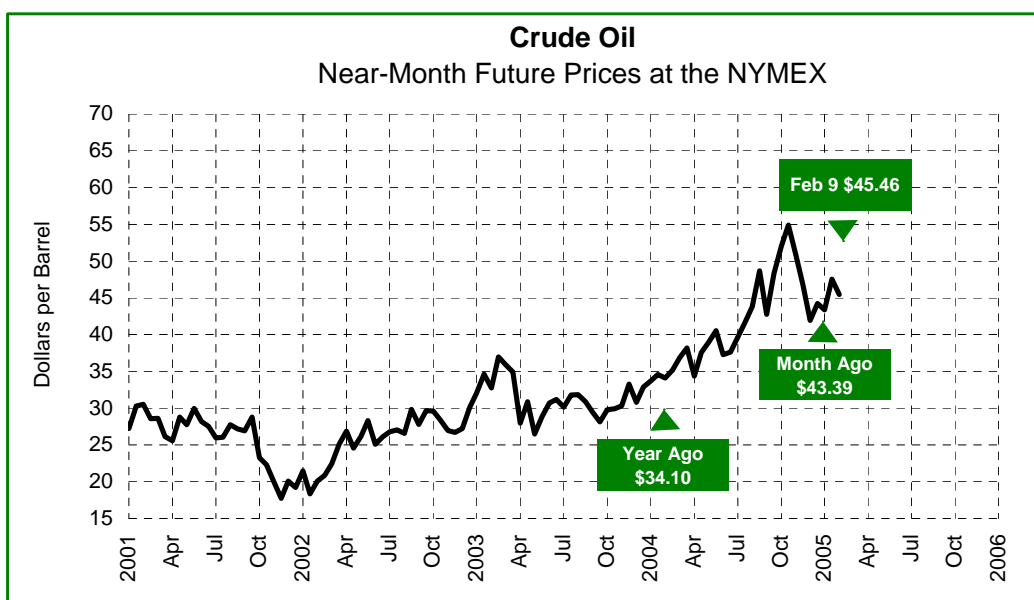
### Crude Oil

On February 9, NYMEX crude oil futures settled at \$45.46, an increase of over \$11 per barrel compared to this time last year.

*Crude Oil - Near Month Future Prices (dollars per barrel)*

	<u>02-09-05</u>	<u>01-05-05</u>	<u>change</u>	<u>02-03-04</u>	<u>change</u>
NYMEX	\$45.46	\$43.39	up 5%	\$34.10	up 33%

- U.S. crude oil prices continue to track within the \$44 to \$48 per barrel price band. On February 9, NYMEX crude oil futures settled at \$45.46, an increase of over \$11 per barrel compared to this time last year.
- Crude oil prices remain strong due to higher global demand for crude oil and lower production reserves. U.S. consumer demand for heating oil due to colder temperatures is providing additional price support. Higher natural gas prices have also helped to push crude oil prices higher.
- U.S. distillate supplies, including heating oil, fell by 3 million barrels for the week ending Feb. 4. Current supplies are nearly 2.7 million barrels lower compared to this time last year, contributing to higher prices for both crude oil and petroleum products.



- For the week ending Feb. 4, U.S. commercial crude oil supplies stood at an estimated 294.3 million barrels, well within the 5-year supply range for this time of year. Crude supplies are 25.4 million barrels higher compared to last year's storage levels, according to EIA.

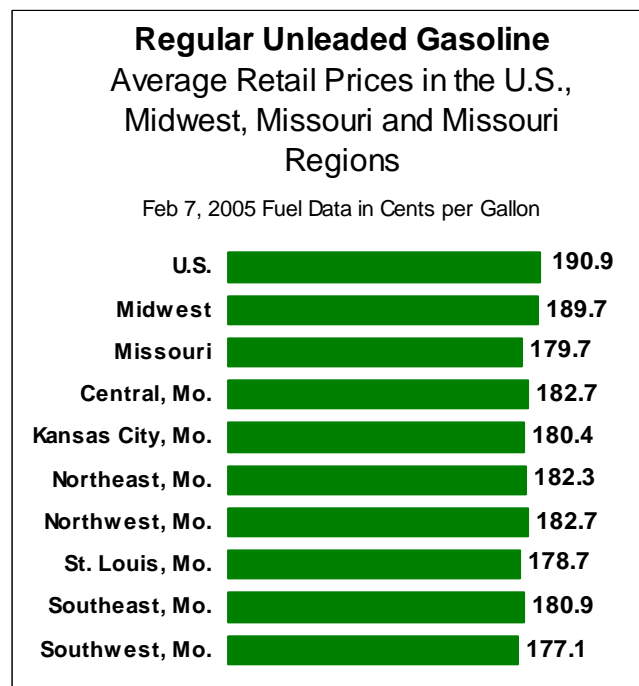
### ***Transportation Fuels***

**Missouri's average retail price for regular unleaded gasoline increased 19 cents per gallon from the previous month to reach \$1.80 per gallon on Feb. 7.**

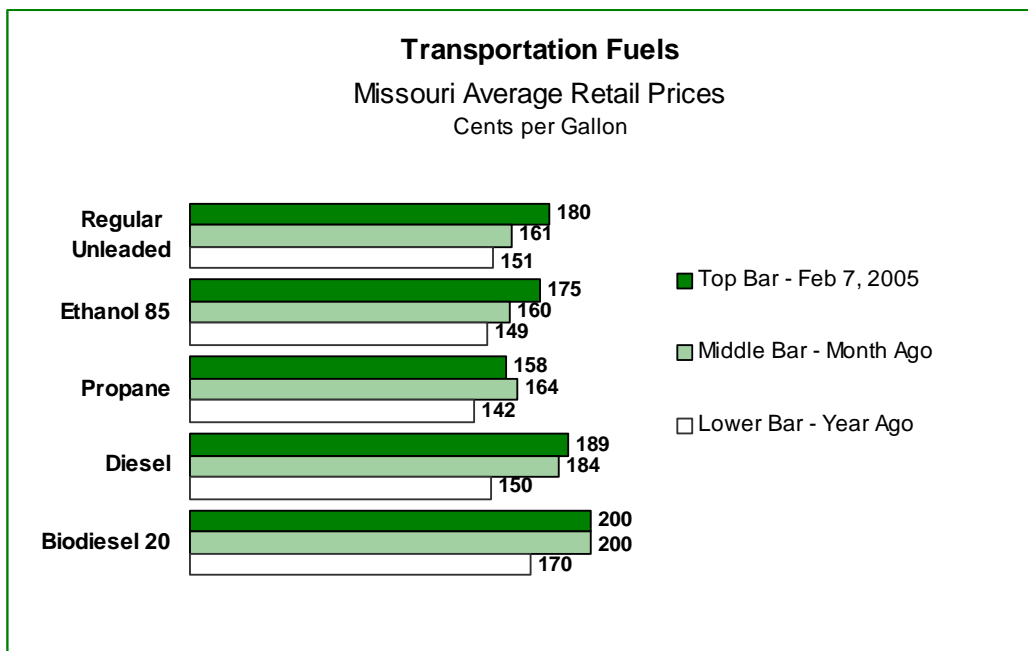
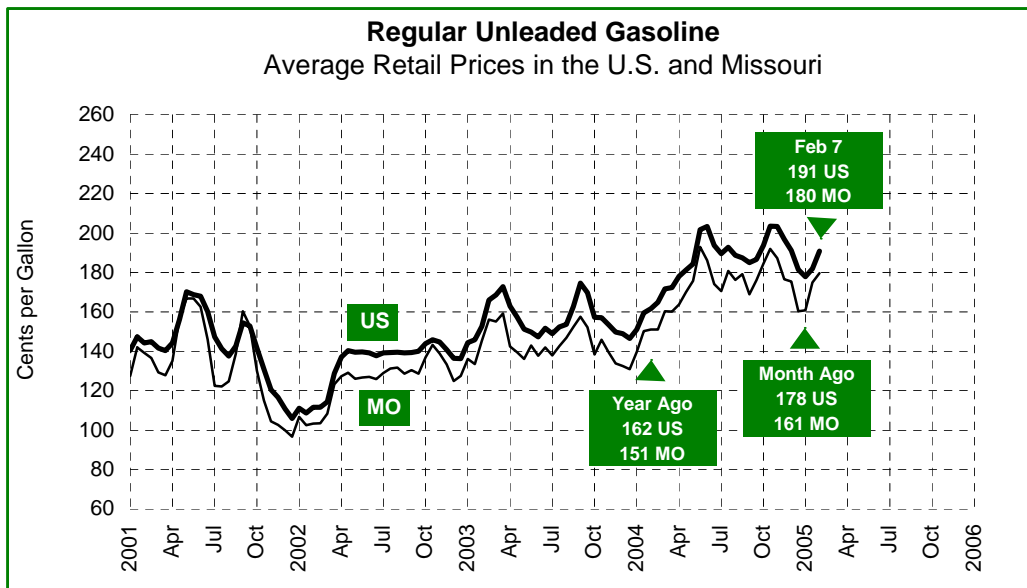
<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>02-07-05</u>	<u>01-03-05</u>	<u>change</u>	<u>02-02-04</u>	<u>change</u>
US	191	178	up 7%	162	up 18%
Missouri	180	161	up 12%	151	up 19%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>02-07-05</u>	<u>01-03-05</u>	<u>change</u>	<u>02-02-04</u>	<u>change</u>
Missouri	189	184	up 3%	150	up 26%

- Over the last year, Missouri's average retail gasoline prices have increased 19 percent, climbing from 151 cents per gallon to 180 cents per gallon. During the last month, Missouri retail prices have increased by 19 cents per gallon, or 12 percent, following higher prices for motor gasoline and crude oil at the NYMEX. Missouri motor gasoline retail prices peaked at nearly \$2 per gallon on May 17, 2004.



- According to the February Short-Term Energy Outlook report by EIA released on February 8, continued growth in gasoline demand in the U.S., both seasonally and year-over-year, is expected to increase U.S. average monthly prices from the current average price of \$1.91 to over \$2.00 per gallon by spring.



Motor Gasoline - Total Stocks (millions of barrels)					
	<u>02-04-05</u>	<u>12-31-04</u>	<u>change</u>	<u>01-30-04</u>	<u>change</u>
US	216.8	214.3	up 1%	205.6	up 5%

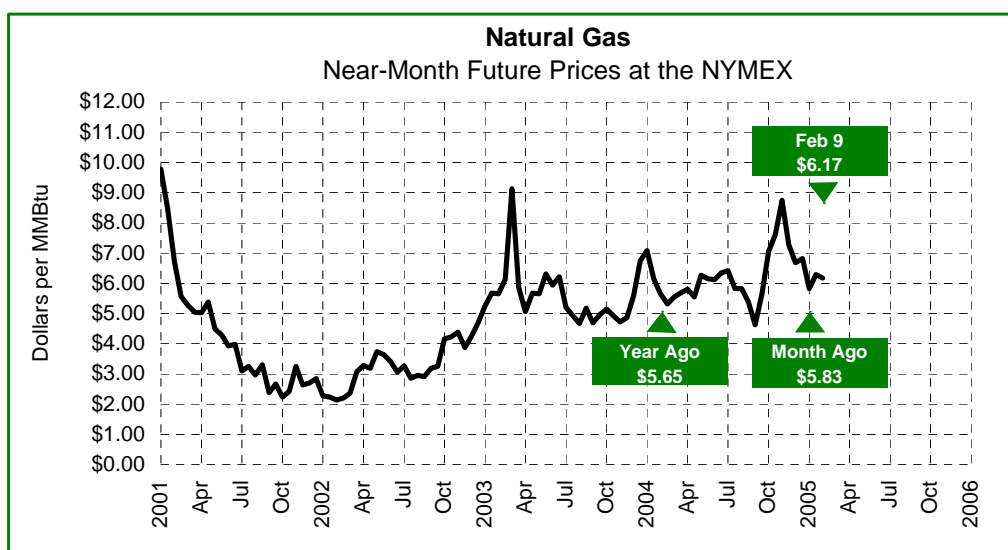
- U.S. gasoline supplies for the week ending Feb. 4 increased by 0.5 million barrels from the previous week, placing them at 216.8 million barrels, well within the 5-year average for this time of year and 12.4 million barrels higher than last year at this time. U.S. gasoline supplies increased due to slightly higher refinery runs, imports and lower consumer demand. Midwest gasoline supplies increased by 0.9 million barrels, moving from 54.7 million barrels on Jan. 28 to 55.6 million barrels on Feb. 4.
- U.S. gasoline production was estimated at 8.5 million barrels per day as of Feb. 4. Imports contributed an additional 0.9 million barrels per day, compared to 0.78 million barrels for the previous week.

## Natural Gas

Approximately 56 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

**On Feb. 9, natural gas futures closed at \$6.17 per MMBtu, an increase of \$0.34 per MMBtu since last month and \$0.52 higher than this time last year, an increase of 9 percent.**

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	02-09-05	01-05-05	change	02-03-04	change
NYMEX	\$6.17	\$5.83	up 6%	\$5.65	up 9%



- Working gas in underground storage decreased to 1,906 Bcf as of February 4, according to EIA's Weekly Natural Gas Storage Report. The implied net withdrawal of 176 Bcf for the report week was about 7 percent higher than the 5-year average of 165 Bcf. Despite the relatively high demand, working gas stocks remain 15.9 percent above the 5-year average level of inventories.
- The implied net withdrawal was the lowest in three weeks, reflecting the generally warmer temperatures during the week across the country. In addition, the weather for the country was almost 20 percent warmer than last year, as measured by heating degree days published by the National Weather Service. With about eight weeks left in the traditional heating season, if storage is drawn down at a rate similar to the 5-year average, inventories will end the withdrawal season in a range of 1,200-1,300 Bcf.
- On Feb. 8, EIA projected that Midwest households' average natural gas winter heating bills would increase an estimated 9.7 percent compared to last year. The projection was based on average retail natural gas prices expected to be 9.8 percent higher this winter than last year.

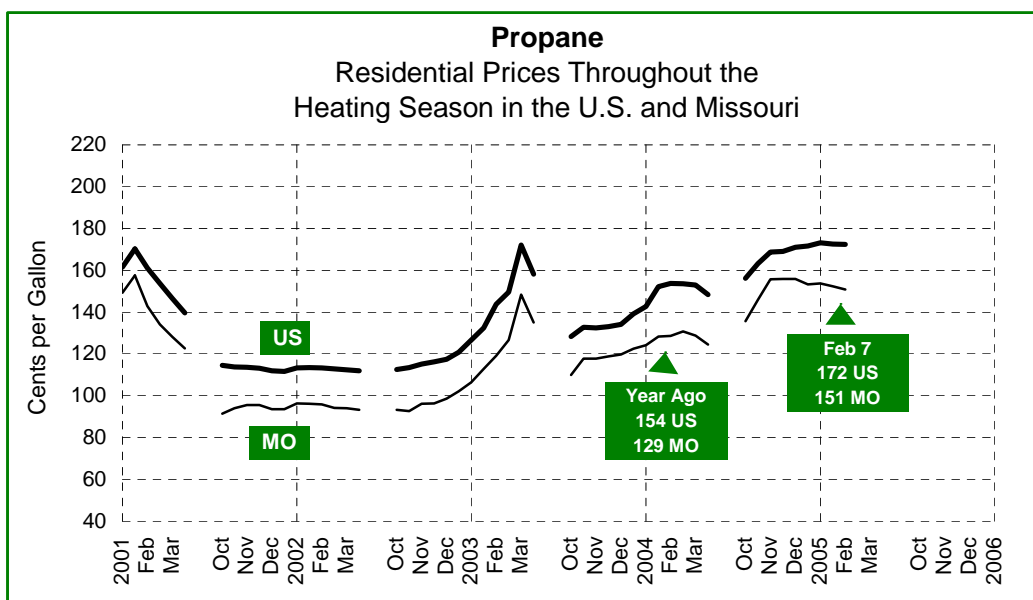
## Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

**Missouri's average retail propane price was \$1.51 per gallon on Feb. 7, down \$0.03 from a month ago but \$0.22 or 17 percent higher than a year ago.**

<b>Propane - Residential Prices (cents per gallon)</b>					
	<u>02-07-05</u>	<u>01-03-05</u>	<u>change</u>	<u>02-02-04</u>	<u>change</u>
Missouri	151	154	down 2%	129	up 17%

- The weekly draw on U.S. inventories of propane posted a 2.7-million-barrel decline last week, continuing the slowdown from the peak 4.0-million-barrel draw on January 21, and possibly signaling that peak winter demand is beginning to show some weakness as cold temperatures slowly wane. With last week's stockdraw, U.S. inventories of propane moved down to an estimated 39.1 million barrels as of February 4, continuing on a path near the upper limit of the normal range for this time of year.
- Midwest supplies decreased from the previous week, falling 0.7 million barrels to 12.9 million barrels as of Feb. 4. Midwest propane supplies are 0.15 million barrels lower compared to the same period last year. During the last 4 weeks, Midwest supplies of propane have decreased by over 4.6 million barrels due to space-heating demand.
- On Feb. 8, EIA projected that Midwest households' average propane winter heating bills would increase an estimated 20 percent compared to last year. This is based on a projection of propane prices over the winter heating months averaging more than 20 percent higher than last year at \$1.56 per gallon with an average consumption of 882 gallons.



## Missouri Energy Outlook

The Missouri Energy Outlook, an energy resource analysis reviewing prices and availability of energy in Missouri over the winter months was released in November by the Missouri Department of Natural Resources' Energy Center. Copies of the Missouri Energy Outlook are available online at the department's Web site at <http://www.dnr.mo.gov/energy/publications.htm> or may be obtained by calling the Missouri Department of Natural Resources' Energy Center at (573) 751-3443 or the department toll free at (800) 361-4827.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

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